

**Teachers' Retirement System of Louisiana**  
**Board of Trustees**  
**Upon Adjournment of Executive Committee – Tuesday**  
**April 5, 2011**

**MEMBERS PRESENT:** Anne H. Baker, Dr. Sheryl Abshire, Dr. William C. "Bill" Baker, Eula Beckwith, Holly B. Gildig, Kathy Hattaway, Joyce Haynes, Superintendent Darryl C. Kilbert, Robert Lawyer, Joe A. Potts, Jr., Dr. Dominic Salinas, and Gavin L. Vitter

**MEMBERS ABSENT:** Senator D.A. "Butch" Gautreaux, Superintendent Paul Pastorek, Jim Napper (Treasurer's Designee), and Representative J. Kevin Pearson

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Trudy Berthelot, Dana Brown, Maurice Coleman, Doris Dumas, Randall Harrison, Lisa Honore, Jeff LaCour, Melinda Parker, Katherine Whitney, Charlene Wilson, Laurie Wright, and Lisa Barousse

**OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates; and Susan Dunham, Louisiana Department of Education

Each member of the Board received the following:

1. *April 2011 Board Book*
2. *Investment Committee Meeting–April 4, 2011, Performance Report–February 28, 2011*
3. Investment Committee Presentation Booklets from Hamilton Lane; GSO Capital Partners; Hewitt EnnisKnupp; J.P. Morgan Investment Management, Inc.; GAM Investment Managers Limited; and Brandywine Asset Management
4. Article titled "Weekly Standard: Pensions Are Not The Problem" that appeared March 25, 2011 on NPR website ([www.npr.org](http://www.npr.org))
5. Article titled "Real Estate Adds to Mets Owners' Headache" that appeared March 29, 2011 in The Wall Street Journal ([www.wsj.com](http://www.wsj.com), New York, NY)
6. Article titled "VPSB to tighten its belt" that appeared March 17, 2011 in the Leesville Daily Leader (Leesville, LA)
7. *TRSL Links, April 2011, Vol 28•No 3*

8. Legislative Information Packet for Trustees containing a collection of issue papers on retirement topics
9. *2011 Regular Legislative Session Legislation Affecting TRSL as of April 4, 2011 and 2011 Regular Legislative Session Public Notices Affecting TRSL as of April 5, 2011*
10. *In Supplement to Senate and House Retirement Committee Study, TRSL PBI Report, SCSR No. 4, 2010 Regular Legislative Session*
11. *Article titled "Addressing Media Misconceptions about Public-Sector Pensions and Bankruptcy", that appeared in the February 2011 Government Finance Review*

Mrs. Baker called the meeting to order at 10:30 a.m. Mrs. Beckwith led the Pledge of Allegiance. The secretary called the roll and a quorum was established.

**Approval of the Minutes of the meeting of the TRSL Board of Trustees held March 4, 2011 (including minutes of committee meetings held March 3 & 4, 2011)**

ON MOTION OF MRS. BECKWITH, SECONDED BY MRS. GILDIG, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held March 4, 2011 (including minutes of committee meetings held March 3 & 4, 2011).

**Investment Committee Report**

ON MOTION OF DR. ABSHIRE, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to accept the report of the Investment Committee and to approve the recommendations contained therein.

**Legislative Committee Report**

ON MOTION OF DR. BAKER, SECONDED BY DR. SALINAS, AND CARRIED, the Board voted to accept the report of the Legislative Committee and to approve the recommendations contained therein.

*Dr. Abshire in the Chair.*

**Executive Committee Report**

ON MOTION OF MRS. BAKER, SECONDED BY MR. POTTS, AND CARRIED, the Board voted to accept the report of the Executive Committee and to approve the recommendations contained therein.

*Mrs. Baker in the Chair.*

### **Director's Update**

Ms. Westgard updated the Board on the following items:

- Based on concerns raised by several retirees, TRSL has asked the Attorney General's Consumer Protection Section to look into AMBA's sales practices
- Ms. Westgard commended staff on their tremendous work on behalf of TRSL, especially considering budget restraints and the current sentiment of negativity regarding public employees. Mrs. Baker seconded Ms. Westgard's comments.

Mr. Vitter, on a point of personal privilege, commended Mr. Cagle, Kyle Farrar, and Sharon Lachney on the Employer Assistance Program, which aims to assist school systems in resolving employer on-line issues (i.e. sick leave). The Central Community School System was the "pilot" system for the Program.

### **Adjournment**

ON MOTION OF MRS. GILDIG, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to adjourn at 11:30 a.m.

**Teachers' Retirement System of Louisiana  
Investment Committee  
8:30 a.m. – Monday  
April 4, 2011**

**MEMBERS PRESENT:** Dr. Sheryl Abshire, Dr. Dominic Salinas, Dr. William C. "Bill" Baker, Kathy Hattaway, Jim Napper (Treasurer's Designee), Robert Lawyer, Holly B. Gildig, and Anne H. Baker

**MEMBERS ABSENT:** Senator D.A. "Butch" Gautreaux and Representative J. Kevin Pearson

**OTHER MEMBERS PRESENT:** Eula Beckwith, Superintendent Darryl Kilbert; Joe A. Potts, Jr., and Gavin L. Vitter

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Dana Lee Haltom, and Lisa Barousse

**OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates; Paul Yett, Hamilton Lane; Scott Coopriider, Russ Ivinjack and Peter Hill, Hewitt EnnisKnupp; Bennett Goodman, GSO Capital Partners; Jeff Fox and Brett Cambern, J.P. Morgan Investment Management, Inc.; Daniel Sheard and Gary Droscoski, GAM Investment Managers Limited; and Stephen Smith and Nedra Hadley, Brandywine Asset Management

**Roll Call**

Dr. Abshire called the meeting to order at 8:35 a.m. The secretary called the roll and a quorum was established. Dr. Abshire appointed Mr. Lawyer and Mrs. Gildig to serve on the Committee as alternates for Superintendent Kilbert and Mrs. Beckwith.

**Private Market Update and Review of Potential Private Market Investments**

Paul Yett of Hamilton Lane Advisors, L.L.C., presented a private market update and reviewed a potential alternative investment in **Providence Equity Partners VII**.

MR. NAPPER MOVED to receive the Hamilton Lane report, consistent with alternative investment guidelines, including the due-diligence process dated April 4, 2011 pertaining to investments in Providence Equity Partners VII (up to \$50 million). MR. LAWYER SECONDED THE MOTION and DR. SALINAS OBJECTED TO THE MOTION. The secretary called the roll.

	Yea	Nay	Other
Dr. Baker		N	
Sen. Gautreaux			<i>absent</i>
Mrs. Gildig	Y		
Ms. Hattaway	Y		
Mr. Lawyer	Y		
Mr. Napper	Y		
Rep. Pearson			<i>absent</i>
Dr. Salinas		N	
Mrs. Baker	Y		
Dr. Abshire		N	
	5	3	

The motion passed by a vote of 5 yeas and 3 nays.

Mr. Yett reviewed a potential alternative investment in GSO Capital Opportunities Fund.

The Committee temporarily deferred the item.

**Quarterly Transaction Summary of Private Market Investments (for period ended December 31, 2010)**

Maurice Coleman presented the quarterly transaction summary of private market investments.

ON MOTION OF MR. NAPPER, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to receive the *Quarterly Transaction Summary of Private Market Investments* (for the period ended December 31, 2010).

### **Private Market Update and Review of Potential Private Market Investments (Continued)**

Bennett Goodman of GSO Capital Partners appeared before the Committee to make a presentation concerning an investment with GSO Capital Opportunities Fund II.

ON MOTION OF DR. SALINAS, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive the Hamilton Lane report, consistent with the alternative investment guidelines including the due-diligence process, dated April 4, 2011, pertaining to investments in GSO Capital Opportunities Fund II (up to \$125 million)

Mr. Yett updated the Committee on 4<sup>th</sup> quarter returns.

### **Presentation and Approval of Solicitation for Proposals (SFP) for Global Fixed Income Managers**

Mr. Griffith presented the SFP for Global Fixed Income Managers.

ON MOTION OF MR. NAPPER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to approve the SFP for global fixed income managers (with corrections as presented).

### **Hedge Fund Review and Discussion**

Peter Hill, Scott Coopridier and Russ Ivinjack of Hewitt EnnisKnupp appeared before the Committee to give a presentation on Hedge Funds. The presentation qualified for 1.25 hours of Investment Education.

### **Asset Allocation Modeling Review and Discussion**

Scott Coopridier and Russ Ivinjack of Hewitt EnnisKnupp appeared before the Committee to give a presentation on Asset Allocation Modeling. The presentation qualified for 1.25 hours of Investment Education.

### **Public Market Update and Review of TRSL Investments**

Mr. Griffith presented an overview of TRSL's total plan and public market investments. Scott Coopridier and Russ Ivinjack of Hewitt EnnisKnupp appeared before the Committee to present their April 4, 2011 Meeting Packet. Staff and consultant reviewed performance of TRSL investments through February 28, 2011.

Hewitt EnnisKnupp recommended, and Mr. Griffith concurred, terminating Aletheia (Large Cap Growth manager).

ON MOTION OF MR. LAWYER, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to approve an expedited SFP process (to be presented and approved at the May 2011 Investment Committee meeting) for Large Cap Growth portfolio manager.

### **Portfolio Reviews:**

Mr. Coopriider and Mr. Ivinjack gave an overview of the firms managing the Fixed Income (Core) & Mortgage-Backed, and Global Bonds portfolios. The following representatives from each firm presented the annual review.

#### **Fixed Income (Core) & Mortgaged-Backed**

Jeff Fox and Brett Cambern of J.P. Morgan Investment Management, Inc.

#### **Global Bonds**

Daniel Sheard and Gary Droskoski of GAM Investment Managers Limited  
Stephen Smith and Nedra Hadley of Brandywine Asset Management

### **Adjournment**

ON MOTION OF DR. BAKER, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to adjourn at 4:30 p.m.

**Teachers' Retirement System of Louisiana  
Legislative Committee  
8:30 a.m. – Tuesday  
April 5, 2011**

- MEMBERS PRESENT:** Dr. William C. "Bill" Baker, Robert Lawyer, Joyce Haynes, Gavin Vitter, Dr. Sheryl Abshire, Jim Napper (Treasurer's Designee), Dr. Dominic Salinas, and Anne H. Baker
- MEMBERS ABSENT:** Senator D.A. "Butch" Gautreaux, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Eula Beckwith, Holly B. Gildig, Kathy Hattaway, Superintendent Darryl C. Kilbert, and Joe A. Potts, Jr.
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Trudy Berthelot, Dana Brown, Maurice Coleman, Doris Dumas, Lisa Honore, Jeff LaCour, Melinda Parker, Katherine Whitney, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Charles Hall, Hall Actuarial Associates; Shelley Johnson, SJ Actuarial Associates; Shane Riddle, Louisiana Association of Educators; Susan Dunham, Louisiana Department of Education; Alison Ocmand, Louisiana Federal of Teachers; and Graig Luscombe, Louisiana Retired Teachers' Association

**Roll Call**

Dr. Baker called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established. Dr. Baker appointed Dr. Salinas to serve on the Committee as an alternate for Ms. Hattaway.

## Update on Interim Legislative and Executive Committee Meetings

Ms. Westgard updated the Committee on the following items:

- Briefing Packet for Trustees
- Boston College Article and TRSL response
- *Article Addressing Media Misconceptions about Public-Sector Pensions and Bankruptcy*
- *Funding Review Panel Recommendations*
- HB 21 of the 2011 Special Session - House Retirement Committee Meeting, March 21, 2011 and Senate Retirement Committee Meeting, April 4, 2011 – Census Bill pertaining to an exemption for Orleans and Jefferson Parish Superintendents to not be members of TRSL
- SCSR No. 4 (2010 R.S.) – Study the appropriate manner in which to provide for regular and dependable permanent benefit increases for retirees of the state retirement systems, designed to preserve purchasing power while uncoupling these benefit increases from investment returns – a hearing was scheduled for April 5, 2011, but cancelled due to the House of Representatives schedule

## Discussion of Potential & Prefiled Legislation for the 2011 Regular Legislative Session

Ms. Westgard noted that House Bills have not been prefiled, but public notices relative to legislation specific to TRSL and public notices affecting other systems have been filed. The deadline for prefiling is April 15<sup>th</sup>.

Ms. Westgard presented an overview of 2011 Regular Session prefiled Senate legislation and the Committee took positions on the legislation as follows:

ON MOTION OF DR. ABSHIRE, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to **support SB 6** by Senator B. Gautreaux (continued payment of UAL).

ON MOTION OF MR. NAPPER, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to **remain neutral on SB 8** by Senator Nevers (return to work).

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to **remain neutral on SB 10** by Senator Shaw (PBI).

ON MOTION OF DR. ABSHIRE, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to **oppose SB 11** by Senator Quinn (lawsuits and public retirement systems).

The Committee took no action on **SB 12** by Senator B. Gautreaux (establishment of a second tier of benefits).

Ms. Westgard updated the Committee on budget items:

- LSU AgCenter contributions were not budgeted through TRSL or LSU
- Department of Education (DOE) general fund supplemental items are anticipated to be funded by DOE
- Appropriations Committee discussion of rewards and recognitions payments granted to state employees in accordance with Civil Service rules

### **Adjournment**

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to adjourn at 9:30 a.m.

Teachers' Retirement System of Louisiana  
Executive Committee  
Upon Adjournment of Legislative Committee – Tuesday  
April 5, 2011

**MEMBERS PRESENT:** Anne. H. Baker, Dr. Sheryl Abshire, Dr. William C. "Bill" Baker, Eula Beckwith, Joyce Haynes, Dr. Dominic Salinas, and Kathy Hattaway

**OTHER MEMBERS PRESENT:** Holly B. Gildig, Superintendent Darryl C. Kilbert, Robert Lawyer, Joe A. Potts, Jr., and Gavin L. Vitter

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Trudy Berthelot, Dana Brown, Maurice Coleman, Doris Dumas, Lisa Honore, Jeff LaCour, Melinda Parker, Katherine Whitney, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse

**OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates; and Susan Dunham, Louisiana Department of Education

**Roll Call**

Mrs. Baker called the meeting to order at 9:40 a.m. The secretary called the roll and a quorum was established.

**Presentation and Approval of Audit Reports by TRSL Audit Staff**

Mr. LaCour presented Compliance Audit Reports – *Retirees Returning to Work* and *Limited Scope Reviews*.

ON MOTION OF MRS. BECKWITH, SECONDED BY MS. HATTAWAY AND CARRIED, the committee voted to accept the *Retirees Returning to Work* and *Limited Scope Reviews* audit reports.

### Presentation of Quarterly Litigation Reports

Mr. Mongrue presented the Quarterly Litigation Reports.

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. SALINAS, AND CARRIED, the committee voted to receive the Quarterly Litigation Reports.

### Update on Employer Delinquent Contributions

Mrs. Baker asked for a motion to convene into executive session to discuss potential litigation regarding Priestley School and other delinquent employers, and that Ms. Westgard, Mr. Cagle, Mr. Mongrue, and Ms. Whitney remain in the room.

Superintendent Kilbert recused himself from the discussion due to his position as Superintendent of the Orleans Parish School Board. Superintendent Kilbert was not present during the discussion regarding Priestley.

MRS. HAYNES MOVED to convene into executive session to discuss potential litigation regarding Priestley School and other delinquent employers, and that Ms. Westgard, Mr. Cagle, Mr. Mongrue, and Ms. Whitney remain in the room. DR. ABSHIRE SECONDED THE MOTION.

A roll-call vote was taken.

Dr. Abshire	Y
Dr. Baker	Y
Mrs. Beckwith	Y
Ms. Hattaway	Y
Mrs. Haynes	Y
Dr. Salinas	Y
Mrs. Baker	Y

The vote was unanimous and the Committee convened into Executive Session.

ON MOTION OF DR. BAKER, SECONDED BY MRS. BECKWITH, AND CARRIED, the committee reconvened into regular session.

A roll-call vote was taken.

Dr. Abshire	Y
Dr. Baker	Y
Mrs. Beckwith	Y
Ms. Hattaway	Y
Mrs. Haynes	Y
Dr. Salinas	Y
Mrs. Baker	Y

The vote was unanimous and the Committee reconvened into Regular Session.

**Adjournment**

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to adjourn at 10:23 a.m.